

RD AN No. 3782 (4287-B)  
August 26, 2002

SUBJECT: Business and Industry Guaranteed/Direct Loan Programs  
Submission of Loan Servicing Requests to the National Office

TO: State Directors, Rural Development

ATTN: Business Programs Directors

**PURPOSE/INTENDED OUTCOME:**

The purpose of this Administrative Notice (AN) is to provide guidance for Business and Industry (B&I) Guaranteed/Direct Loan servicing requests submitted to the National Office.

**COMPARISON WITH PREVIOUS AN:**

There is no previous AN on this subject.

**IMPLEMENTATION AND RESPONSIBILITIES:**

All B&I servicing actions submitted to the National Office must be in the format set forth in RD Instruction 4287-B, Appendix A. In order to reduce unnecessary delays in the National Office response to Modification or Administrative Action requests, the material submitted for review must be completed and analyzed by State Office staff.

There are four important sections in this format: (1) borrower information, (2) loan information, (3) financial information, and (4) the servicing request. The four sections request information pertinent to the National Office loan specialist's evaluation.

A detailed servicing request is important, since it is used to present the case to the National Office Executive Loan or National Office Business and Industry Committee.

EXPIRATION DATE:  
September 30, 2003

FILING INSTRUCTIONS:  
RD Instruction 4287-B

The nature of the request, State Office analysis of the request, lender recommendation, comments on Regional Attorney's review, environmental review, and the State Director's and Program Director's recommendations must be comprehensive. The Regional Attorney should review any request involving legal considerations or, if required, provide their opinion of the request. The opinion should accompany your submission.

Modification or Administrative Action requests submitted to the National Office should include a cover letter that summarizes the lender's request, a brief analysis or evaluation of the lender's request, your recommendation, and the reason or basis for your recommendation. Include pertinent documents or information as reference material to support your recommendation. The State Director must sign the request unless this authority has been redelegated.

If you have any questions, please contact the B&I Division Servicing Branch,  
(202) 690-4103.

***(Signed by John Rosso)***

JOHN ROSSO  
Administrator  
Rural Business-Cooperative Service

Attachment

MODIFICATION OR ADMINISTRATIVE ACTION

BORROWER INFORMATION:

Name and Address of Borrower: \_\_\_\_\_  
\_\_\_\_\_

Number of Employees and Annual Payroll: \_\_\_\_\_

History of Account:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

LOAN INFORMATION:

Name and Address of Lender: (If different from lender holding guarantee, has the lender been substituted as outlined in § 4287.135 of this subpart?)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Date Loan Note Guarantee was issued: \_\_\_\_\_

Original Amount of the Loan: \_\_\_\_\_

Interest Rate and Terms: \_\_\_\_\_

Unpaid Balance:

Principal: \$\_\_\_\_\_ Interest: \$\_\_\_\_\_

Status: ( )Current ( )Delinquent ( )Liquidation  
( )Chapter 7 ( )Chapter 11 ( )Other (Specify) \_\_\_\_\_

Use of Loan Funds: \_\_\_\_\_  
\_\_\_\_\_

Market and liquidation value of collateral:

Collateral	Appraisal Date	Lien Position	Market Value	Liquidation Value
_____	_____	_____	\$_____	\$_____
_____	_____	_____	\$_____	\$_____
_____	_____	_____	\$_____	\$_____
_____	_____	_____	\$_____	\$_____

Who owns the guaranteed portion? \_\_\_lender \_\_\_Agency \_\_\_holder

Has an estimated loss been paid? \_\_\_\_\_ Amount paid and date: \_\_\_\_\_

*FINANCIAL INFORMATION:*

*Credit quality review ratios and comments:*

Current Ratio: \_\_\_\_\_ Industry Average: \_\_\_\_\_

Comments: \_\_\_\_\_

Equity: \_\_\_\_\_ Industry Average: \_\_\_\_\_

Comments: \_\_\_\_\_

Debt to Worth: \_\_\_\_\_ Industry Average: \_\_\_\_\_

Comments: \_\_\_\_\_

Working Capital: \_\_\_\_\_ Industry Average: \_\_\_\_\_

Comments: \_\_\_\_\_

Describe any loan covenant violations: \_\_\_\_\_

\_\_\_\_\_

Is the cash flow adequate to satisfy current portion of long term debt?

\_\_\_\_\_

\_\_\_\_\_

*Financial condition of personal guarantors:*

Dates of latest financial statements: \_\_\_\_\_

Net worth: \$\_\_\_\_\_ Outside net worth: \$\_\_\_\_\_

Comments on collectibility: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

*SERVICING REQUEST:*

*Nature of request:* \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*State Office analysis of request:*  
\_\_\_\_\_  
\_\_\_\_\_

*Lender recommendation:* \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*Comments on regional attorney's review (Attach copy of opinions):* \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*Environmental review: Type:* \_\_\_\_\_ *Adequacy:* \_\_\_\_\_  
*Comments:* \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*State Director and Program Chief recommendations:* \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**NOTE: For all modifications or administrative actions, the following information must be considered:**

1. Start with number 1 when the first modification is approved and enter this number in the upper right hand corner of the Letter of Concurrence and related "Modification or Administrative Action" sheet.
2. Next to the modified wording on the work copy of the Conditional Commitment for Guarantee and the Term Loan Agreement or any form which has been modified, pencil in a short cross reference to the modification and identify the number given it.
3. File the copies of the "Modification or Administrative Action" sheet and related Letters of Concurrence numerically in the docket directly on top of the affected original documents of conditions.
4. The order of recordingkeeping should include any requests which were declined by the National Office.